

**Technology Customer Council Meeting  
Minutes of July 13, 2004**

**F i n a l**

Present: Steve Mosena, Jim Anderson (for Cynthia Eisenhower), Leon Schwartz, RJ Hellstern (for Greg Wright), Dale Woolery (for Marv Van Haaften), Judy Peters, Larry Murphy, Lee Tack, Rich Jacobs, Steve Gast (ex-officio)

Absent: Carl Martin, Gerry Bair, Gary Nichols

Guests: John Gillispie, Patti Allen, Linda Plazak, Mollie Anderson, Erv Fett, Denise Sturm, Mark Johnson, Diane Van Zante

Steve Mosena, Chair, called the meeting to order. It was noted that a quorum of members was present.

1. Review and Approve Minutes – Larry Murphy moved approval of the June 8, 2004 meeting minutes. Lee Tack seconded the motion. An oral vote was taken, approving the minutes as written.
2. Elect Chair and Vice Chair – Council bylaws indicate that officers shall be elected annually by a quorum of the voting members. The previous election was held July 15, 2003. Leon Schwartz nominated Steve Mosena as Chair; Rich Jacobs seconded the motion. Lee Tack moved that nominations cease; Larry Murphy seconded the motion. An oral vote was taken, re-electing Steve Mosena. Selection of a Vice-Chair was deferred until the next meeting.
3. DAS Director Update – Mollie Anderson. Mollie reported that the three customer councils were busy setting FY06 rates. Once that process has been completed, DAS will begin briefing agencies who are beginning to prepare their new budget packages. Mollie's understanding is that agencies will be expected to ask for the money they need for FY06 purchases from DAS. A letter identifying how much each agency will receive this fiscal year (FY05) is in the final stage of review and should be distributed shortly. DAS is working to improve communication with its customers. A customer satisfaction survey is planned for later this month to help DAS assess its progress.
4. FY06 Rate for Directory Services - Denise Sturm. Denise noted that FY06 projections are based on basic assumptions about salaries. The divisor calculation was based on 2004 4<sup>th</sup> quarter figures. The proposed rate (75 cents) is a few cents lower than the FY05 rate (78 cents). Distribution of IFAS and HRIS funds for FY05 has not yet taken place, but hopefully will by the end of July. Leon Schwartz moved approval of the FY06 directory rate, as presented. Dale Woolery seconded the motion. The floor was opened for discussion. Steve Gast mentioned that his understanding is that Directory Services become more fully functional once I/3 is fully operational. Benefits of Directory Services: authentication and authorization, calendar synchronization, having a definitive source for all individuals in state government. It is important to note that at present, Directory Services is only partially operational; there will be more benefits over time. The new directory went live on July 1<sup>st</sup> at which time the Iowa Hub was shut down. An oral vote was subsequently taken on the motion. All but one voted in favor; Larry Murphy cast an opposing vote. The motion passed.

5. I/3 - Mollie Anderson. I/3 was launched over the Memorial Day weekend. Implementation has been stressful, but that is indicative of any change. There is some thought that DAS needs to strengthen customer involvement in decision making. I/3 User Groups are being formed for each of the system's service components: finance, fixed asset/inventory, accounts receivable, procurement and budget. The Steering Committee agreed that an interim Customer Council should be established by the fall of 2004, to be comprised of two members of each of the current DAS Customer Councils. The role of the new council would be to establish bylaws, determine permanent council membership criteria, set length of service, and evaluate FY06 costs. Once I/3 is fully operational, a permanent State Accounting Enterprise (SAE) Customer Council will be established and given the same rate-setting and oversight authority as the other DAS Customer Councils. Currently (FY05), we spend approximately \$1.3 million to oversee HRIS and IFAS. Total FY06 I/3 budgeted expenses are projected to be \$4.04 million, leaving a difference of \$2.7 million. DAS aims to cover this cost without increasing bills to customer agencies. Customer agencies will continue to remit amounts similar to those paid in the past for the IFAS and HRIS systems. For FY06, DAS will manage the difference internally (the Department of Administrative Services, Department of Management and Governor's Office will discuss alternatives, such as an Innovation loan or the pooled technology fund), however in FY07 everyone will be asked to pay their fair share. The I/3 Customer Council will work with DAS to establish an I/3 rate that fairly allocates all system costs among all users. In FY06, the proposed I/3 utility rate is \$5.02 per person per month; in FY07 and 08, it increases to \$17.71 and \$18.37 respectively. Today, the Council's task is to take action on the proposed utility rate for FY06. Any loan would need to be repaid. The balance in the Innovation fund would likely cover the \$2.7 million gap, but the loan would basically leave the fund with a zero balance. Loans from the Innovation Fund do not require legislative approval. The true cost of operation for the current HRIS and IFAS systems is not definitive, as insufficient documentation exists upon which to base those costs. DAS could ask for a general fund appropriation, however it is doubtful that the legislature would approve such a request. At one point, DAS contemplated having next year's rate reflect an incremental increase. After further consideration, it was decided not to pursue that strategy. John Gillispie mentioned that DAS would be making an application to the pooled technology fund. For FY06, Mollie is seeking the council's approval to charge the same amount as at present, with the caveat that additional funding will be sought and that the permanent I/3 council will address the rate issue from then on. The rate for FY05 is \$5.00, the proposed rate for FY06 would be \$5.02. How should the customer council go about explaining the rate for FY06? For FY07, agencies should build the increased cost into their base budget. Jim Anderson feels that this item needs to be presented to the legislature. The Department of Management has assured DAS that they will address the FY06 funding gap. Larry Murphy moved that an I3 rate of \$5.02 be approved for FY06 and that DAS continue to look for ways to cover the funding gap. Leon Schwartz seconded the motion. Concerns were expressed about the use of pooled technology money for this purpose; if pooled technology money is used, several valid pooled technology projects will not be approved, putting some priority projects in jeopardy. Steve Mosena suggested that the motion be tabled until the next meeting (which needs to occur within two weeks). Larry Murphy moved that the motion be tabled and discussed at the next meeting. Lee Tack seconded the motion. An oral vote was taken and passed, tabling the motion to approve a FY06 I/3 rate.
6. Marketing/Communications Team Update – Patti Allen. Patti began by addressing the plan for distribution of rates. The three customer councils are on slightly different schedules,

however DAS hopes to package the rate material together. Due to earlier concerns about questions that went unanswered during the 30-day comment period, Patti indicated that for future 30-day comment periods, agencies would be able to submit questions online which will be sent to her for follow-up. Mollie and Patti have decided to go ahead and announce the ITE and HRE rates early, even though GSE has not finalized theirs. Once the GSE rates are final, Patti will incorporate the material from all three councils into a formal package and proceed with the 30-day formal comment period. At that time, the council would cast a final vote of approval of their rate. Note: Any communication to customer agencies should be routed through Patti first. Rich Jacobs moved that the council Chair be empowered to act on the council's behalf (previously, the Technology Customer Council utilized a process whereby a representative from each of the large, medium, and small agencies would confer with their partner agencies during the comment period). Larry Murphy seconded Rich Jacobs' motion. The motion was clarified, as follows: the Chair has the latitude to develop communication to customer agencies on adoption of rates after the initial vote, prior to the comment period and final vote. The Chair called for an oral vote, which was subsequently taken and passed. Jim Anderson believes that input from financial users is important to the overall rate setting process and he would like to see more involvement from the users. Council members expressed their appreciation to outgoing member, Jim Anderson, for his service to the council; Jim is retiring from state government. Larry Murphy commented that this might not be the end of I/3 costs, as additional enhancements could incur additional cost. Larry advocated that DAS be charged with forming the user groups as soon as possible, as their formation is critical to the success of I/3. Judy Peters made a motion suggesting that the Chair send a memo to Chief Financial Officers apprising them of the Council's rate-setting responsibility and asking that any comments be relayed to the Chair prior to the next vote. Jim Anderson seconded the motion. An oral vote was taken, resulting in one affirmative (Judy Peters) and three dissenting (Leon Schwartz, Jim Anderson, Rich Jacobs) votes; the motion was defeated. Larry Murphy moved that the Council encourage DAS to form the user groups (with special focus on accounting, budgeting and data warehouse) and that a report be given at the next regular council meeting, detailing what progress has been made. Rich Jacobs seconded the motion. An oral vote was taken; the motion passed.

7. Council Member Terms and Bylaws - Patti Allen. Patti reported that DAS has begun the process of getting new council members appointed.
8. DAS Complaint Resolution Process – Patti Allen. There are no further developments to report at this time. Patti introduced Linda Plazak who has recently been assigned to the DAS Marketing and Communications Team. Linda is the new coordinator for all of the customer councils.
9. Other Discussion - Steve Mosena. Steve inquired about the possibility of holding a brief conference call on Tuesday, August 20 in order to call for a vote on the I/3 rate. Diane will poll the members for availability and forward any meeting details.
10. Next Meeting Date and Agenda Items - Steve Mosena. The next regular meeting date is August 10. A meeting location has not yet been determined.

There being no further business, Larry Murphy made a motion to adjourn the meeting. Rich Jacobs seconded the motion. An oral vote was taken and passed. The meeting concluded at 2:54 p.m.